
COMMUNITY SOLUTIONS
for Children, Families and Individuals
(A CALIFORNIA NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

DATE RECEIVED:



AUDIT REVIEW #(s) 04338

Assigned To: Armstrong

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Reviewer's Initials: PR

Date Review(s) Completed: 12/31/08

**COMMUNITY SOLUTIONS
for Children, Families and Individuals**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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**INDEPENDENT AUDITOR'S COMBINED REPORT ON THE BASIC FINANCIAL
STATEMENTS AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Directors
Community Solutions for Children, Families and Individuals
Morgan Hill, California

We have audited the accompanying statements of financial position of Community Solutions for Children, Families, and Individuals (a California non-profit organization) as of June 30, 2008 and June 30, 2007, the related statements of cash flows for the years then ended, and the related statements of activities and functional expenses for the year ended June 30, 2008. These financial statements are the responsibility of Community Solutions for Children, Families and Individuals' management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the organization's June 30, 2007 financial statements and, in our report dated August 23, 2007 we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Solutions for Children, Families and Individuals as of June 30, 2008 and June 30, 2007, the changes in its cash flows for the years then ended, and the changes in its net assets for the fiscal year ended June 30, 2008 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 28, 2008 on our consideration of Community Solutions for Children, Families and Individuals' internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Community Solutions for Children, Families and Individuals taken as a whole. The accompanying schedule of expenditures of federal awards and Office of Emergency Services supplementary information for the year ended June 30, 2008, are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Nichols, Rick & Co.

Nichols, Rick & Company, CPA's
FEIN 77-0454740
Morgan Hill, California
August 28, 2008

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statements of Financial Position
As of June 30, 2008 and June 30, 2007

| | 2008 | 2007 |
|---|----------------------------|----------------------------|
| <u>ASSETS</u> | | |
| Assets: | | |
| Cash | \$ 434,272 | \$ 364,649 |
| Accounts receivable, net | 84,602 | 149,855 |
| Grants receivable | 1,243,887 | 1,243,010 |
| Unconditional promises to give: | | |
| Pledges receivable | 30,000 | - |
| United Way funding for the next fiscal year | 62,500 | 50,000 |
| Prepaid expenses | 21,225 | 19,435 |
| Total current assets | <u>1,876,486</u> | <u>1,826,949</u> |
| Fixed assets, net | 1,096,888 | 1,112,915 |
| Deposits | <u>36,507</u> | <u>40,922</u> |
| TOTAL ASSETS | <u><u>\$ 3,009,881</u></u> | <u><u>\$ 2,980,786</u></u> |
| | | |
| <u>LIABILITIES & NET ASSETS</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 699,282 | \$ 583,183 |
| Accrued salaries & vacation | 524,778 | 463,967 |
| Other current liabilities | 10,038 | 15,760 |
| Deferred revenue | 110,671 | 158,037 |
| Notes payable, current portion | 11,062 | 439,224 |
| Total current liabilities | <u>1,355,831</u> | <u>1,660,171</u> |
| Grants payable, long term | 46,918 | 112,604 |
| Accrued interest payable | 172,679 | 162,194 |
| Notes payable | <u>1,188,236</u> | <u>811,334</u> |
| Total long term liabilities | <u>1,407,833</u> | <u>1,086,132</u> |
| Total liabilities | 2,763,664 | 2,746,303 |
| Net assets | | |
| Unrestricted | 90,700 | 90,676 |
| Temporarily restricted | 155,517 | 143,807 |
| Permanently restricted | <u>-</u> | <u>-</u> |
| Total net assets | <u>246,217</u> | <u>234,483</u> |
| TOTAL LIABILITIES & NET ASSETS | <u><u>\$ 3,009,881</u></u> | <u><u>\$ 2,980,786</u></u> |

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Activities
For the Year ended June 30, 2008
with summarized financial information for the year ended June 30, 2007

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>June 30, 2008 Totals</u> | <u>Comparative Summary Totals for the Year ended June 30, 2007</u> |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------------------|--|
| SUPPORT & REVENUE | | | | | |
| Support received directly | | | | | |
| Contributions | \$ 171,655 | \$ - | \$ - | \$ 171,655 | \$ 132,967 |
| Contributions, in-kind | 38,007 | | | 38,007 | 34,700 |
| Special events, less expenses of \$11,343 and \$12,908 | 49,337 | | | 49,337 | 27,535 |
| Self forgiving indebtedness | 47,286 | | | 47,286 | 47,286 |
| Foundations and grants | 108,250 | | | 108,250 | 89,481 |
| Support received indirectly | | | | | |
| United Way | 4,560 | 50,000 | | 54,560 | 58,720 |
| Total support | 419,095 | 50,000 | - | 469,095 | 390,689 |
| Revenue | | | | | |
| Government grants & fees | 8,732,670 | | | 8,732,670 | 6,728,082 |
| Interest income | 4,726 | | | 4,726 | 15,218 |
| Program rents received | 199,589 | | | 199,589 | 174,872 |
| Other income | 50,747 | | | 50,747 | 42,290 |
| Fees for services | 323,023 | | | 323,023 | 315,379 |
| Total revenue | 9,310,755 | - | - | 9,310,755 | 7,275,841 |
| Net assets released from restrictions | 38,290 | (38,290) | | - | - |
| TOTAL SUPPORT & REVENUE | 9,768,140 | 11,710 | - | 9,779,850 | 7,666,530 |
| EXPENSES | | | | | |
| Program Services | | | | | |
| Behavioral Health Care | 4,154,717 | | | 4,154,717 | 2,861,365 |
| Prevention and Education | 3,463,984 | | | 3,463,984 | 2,992,409 |
| Solutions to Violence | 957,636 | | | 957,636 | 920,506 |
| Total Program Services | 8,576,337 | - | - | 8,576,337 | 6,774,280 |
| Support Services | | | | | |
| Management and General | 1,091,624 | | | 1,091,624 | 1,017,695 |
| Fund Development | 100,155 | | | 100,155 | 140,540 |
| Total Support Services | 1,191,779 | - | - | 1,191,779 | 1,158,235 |
| TOTAL EXPENSES | 9,768,116 | - | - | 9,768,116 | 7,932,515 |
| Change in net assets from operations | 24 | 11,710 | - | 11,734 | (265,985) |
| Net assets at beginning of year | 90,676 | 143,807 | | 234,483 | 500,468 |
| Net assets at end of year | <u>\$ 90,700</u> | <u>\$ 155,517</u> | <u>\$ -</u> | <u>\$ 246,217</u> | <u>\$ 234,483</u> |

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Functional Expenses
For the Year ended June 30, 2008
with summarized financial information for the year ended June 30, 2007

| | <u>PROGRAM SERVICES</u> | | | <u>June 30, 2008</u> | <u>Comparative</u> |
|---|-------------------------|----------------------|---------------------|----------------------|-----------------------|
| | <u>Behavioral</u> | <u>Prevention</u> | <u>Solutions to</u> | <u>Totals</u> | <u>Summary</u> |
| | <u>Health Care</u> | <u>and Education</u> | <u>Violence</u> | | <u>Totals for the</u> |
| | | | | | <u>Year ended</u> |
| | | | | | <u>June 30, 2007</u> |
| Salaries | \$ 2,165,908 | \$ 1,069,871 | \$ 521,777 | \$ 3,757,556 | \$ 3,100,239 |
| Payroll taxes & employee benefits | <u>750,365</u> | <u>379,213</u> | <u>186,984</u> | <u>1,316,562</u> | <u>970,611</u> |
| Total salaries & related expenses | 2,916,273 | 1,449,084 | 708,761 | 5,074,118 | 4,070,850 |
| Professional fees | 280,854 | 1,595,469 | 49,251 | 1,925,574 | 1,241,702 |
| Supplies | 95,508 | 45,502 | 11,913 | 152,923 | 89,088 |
| Telephone | 50,845 | 17,109 | 19,751 | 87,705 | 71,263 |
| Postage & shipping | 6,648 | 2,960 | 1,150 | 10,758 | 6,472 |
| Occupancy | 330,235 | 187,153 | 84,312 | 601,700 | 612,151 |
| Insurance | 26,647 | 9,126 | 4,108 | 39,881 | 38,748 |
| Utilities | 34,069 | 9,980 | 8,334 | 52,383 | 47,660 |
| Interest | 38,169 | 5,925 | 7,788 | 51,882 | 44,001 |
| Equipment maintenance & rental | 54,987 | 25,393 | 10,917 | 91,297 | 114,278 |
| Printing & publications | 8,890 | 3,866 | 2,597 | 15,353 | 20,560 |
| Travel | 85,495 | 32,478 | 22,464 | 140,437 | 97,484 |
| Conferences, conventions & meetings | 8,650 | 2,567 | 6,912 | 18,129 | 18,506 |
| Specific assistance to individuals | 161,525 | 15,360 | 10,024 | 186,909 | 95,196 |
| Dues & subscriptions | 3,956 | 1,723 | 2,434 | 8,113 | 13,362 |
| Licensing fees & taxes | 1,469 | 24,602 | 463 | 26,534 | 22,261 |
| Miscellaneous | <u>24,108</u> | <u>29,232</u> | <u>2,801</u> | <u>56,141</u> | <u>133,606</u> |
| Total expenses before depreciation & amortization | 4,128,328 | 3,457,529 | 953,980 | 8,539,837 | 6,737,188 |
| Depreciation & amortization | <u>26,389</u> | <u>6,455</u> | <u>3,656</u> | <u>36,500</u> | <u>37,092</u> |
| TOTAL EXPENSES | <u>\$ 4,154,717</u> | <u>\$ 3,463,984</u> | <u>\$ 957,636</u> | <u>\$ 8,576,337</u> | <u>\$ 6,774,280</u> |

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statement of Functional Expenses
For the Year ended June 30, 2008
with summarized financial information for the year ended June 30, 2007

| | TOTAL PROGRAM SERVICES | MANAGEMENT & SUPPORT SERVICES | | | June 30, 2008 PROGRAM & SUPPORT SERVICES TOTALS | Comparative Summary Totals for the Year ended June 30, 2007 |
|--|------------------------------|-------------------------------|---------------------|----------------------------|---|---|
| | | Management & General | Fund Development | Total Mgmt. & Sup. Svcs | | |
| Salaries | \$ 3,757,556 | \$ 766,031 | \$ 45,278 | \$ 811,309 | \$ 4,568,865 | \$ 3,896,746 |
| Payroll taxes & employee benefits | 1,316,562 | 243,021 | 24,148 | 267,169 | 1,583,731 | 1,201,048 |
| Total salaries & related expenses | 5,074,118 | 1,009,052 | 69,426 | 1,078,478 | 6,152,596 | 5,097,794 |
| Professional fees | 1,925,574 | 3,493 | 2,097 | 5,590 | 1,931,164 | 1,254,472 |
| Supplies | 152,923 | 9,068 | 929 | 9,997 | 162,920 | 96,217 |
| Telephone | 87,705 | 1,319 | 1,198 | 2,517 | 90,222 | 79,786 |
| Postage & shipping | 10,758 | 518 | 537 | 1,055 | 11,813 | 7,798 |
| Occupancy | 601,700 | 35,611 | 5,440 | 41,051 | 642,751 | 652,323 |
| Insurance | 39,881 | 2,113 | 1,565 | 3,678 | 43,559 | 41,127 |
| Utilities | 52,383 | 130 | 474 | 604 | 52,987 | 49,376 |
| Interest | 51,882 | 2,719 | 159 | 2,878 | 54,760 | 52,899 |
| Equipment maintenance & rental | 91,297 | 1,292 | 1,432 | 2,724 | 94,021 | 127,976 |
| Printing & publications | 15,353 | 1,576 | 679 | 2,255 | 17,608 | 22,821 |
| Travel | 140,437 | 8,376 | 1,738 | 10,114 | 150,551 | 109,025 |
| Conferences, conventions & meetings | 18,129 | 3,365 | 1,510 | 4,875 | 23,004 | 28,993 |
| Specific assistance to individuals | 186,909 | - | - | - | 186,909 | 95,196 |
| Dues & subscriptions | 8,113 | 1,875 | 636 | 2,511 | 10,624 | 15,141 |
| Licensing fees & taxes | 26,534 | - | - | - | 26,534 | 22,272 |
| Miscellaneous | 56,141 | 2,606 | 11,947 | 14,553 | 70,694 | 139,385 |
| Total expenses before depreciation & amortization | 8,539,837 | 1,083,113 | 99,767 | 1,182,880 | 9,722,717 | 7,892,601 |
| Depreciation & amortization | 36,500 | 8,511 | 388 | 8,899 | 45,399 | 39,914 |
| TOTAL EXPENSES | \$ 8,576,337 | \$ 1,091,624 | \$ 100,155 | \$ 1,191,779 | \$ 9,768,116 | \$ 7,932,515 |

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Statements of Cash Flows
For the Years ended June 30, 2008 and June 30, 2007

| | 2008 | 2007 |
|---|-------------------|-------------------|
| Cash flows from operating activities: | | |
| Increase (decrease) in net assets from operations | \$ 11,734 | \$ (265,985) |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities: | | |
| Depreciation and amortization | 45,399 | 39,914 |
| Forgiveness of debt included in support | (47,286) | (47,286) |
| Changes in assets & liabilities: | | |
| Decrease (increase) in accounts and grants receivable | 21,876 | (653,320) |
| Decrease (increase) in deposits and prepaid expenses | 2,625 | 2,332 |
| Increase (decrease) in payables and accrued liabilities | 68,621 | 491,562 |
| Net cash (used) provided by operating activities | <u>102,969</u> | <u>(432,783)</u> |
| Cash flows from investing activities | | |
| Acquisition of fixed assets | (29,371) | (20,418) |
| Net cash provided (used) by investing activities | <u>(29,371)</u> | <u>(20,418)</u> |
| Cash flows from financing activities | | |
| Proceeds from long term debt restructuring | 252,474 | |
| Proceeds from (repayment of) line of credit | (250,000) | 250,000 |
| Repayments of long-term debt | (6,449) | (7,793) |
| Net cash provided (used) by financing activities | <u>(3,975)</u> | <u>242,207</u> |
| Net (decrease) increase in cash | <u>69,623</u> | <u>(210,994)</u> |
| Cash, beginning of year | 364,649 | 575,643 |
| Cash, end of year | <u>\$ 434,272</u> | <u>\$ 364,649</u> |

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

| | | |
|--|-----------|-----------|
| Cash paid during the year for: | | |
| Interest | \$ 44,275 | \$ 40,745 |
| Income taxes | \$ 0 | \$ 0 |
| Supplemental noncash disclosures: | | |
| Real property improvements completed via financing | \$ 0 | \$ 34,510 |

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

1. NATURE OF ORGANIZATION:

Community Solutions for Children, Families and Individuals, doing business as Community Solutions (Agency), a public benefit, non-profit California corporation formed in 1972, provides mental health counseling and related supportive services with an emphasis to minorities and low-income families in Santa Clara and San Benito Counties. The Agency's mission is to provide services and programs that improve the quality of life in the community. The Agency is dedicated to developing the full potential and personal responsibility of individuals, families and the community at large. Through staff and volunteers, collaborations with other agencies, government grants, and with the assistance of public and private donations, the Agency provides services to the community in two program areas:

Behavioral Health Programs

The Behavioral Health Programs includes mental health counseling for children and families, residential treatment and supportive housing for seriously mentally ill adults, case management for adults and older adults with mental illness, alcohol and other drug treatment, sober living house, drinking driver programs, supervised visits for children and batterers intervention program.

Children, Family & Community Programs

The Children, Family & Community Programs include after school youth centers, parent education, adolescent alcohol & drug services, restorative justice program for youth, independent living skills for foster care youth, truancy sweeps, crisis intervention services for youth and families, home-based program for families, transitional housing for teen/young parents, home-based support for overburdened families, 24-hour rape crisis hotline, child abuse prevention program, teen assault awareness program, shelter for battered women and their children, domestic violence counseling, legal assistance and prevention programs.

Within the two divisions described above, the Agency served approximately 13,000 clients during the year ended June 30, 2008, 66% of which were children and youths under the age of 18. The goal of the above programs is to build the capacity of every individual served, thereby building healthier communities.

COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. In addition, pledges and unconditional promises to give are required to be reported as temporarily restricted support upon date of notification and are then released from restrictions upon satisfaction of the time or use requirement. If a restriction is fulfilled in the same time period in which the contribution is received, the Agency reports the support as unrestricted.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Agency considers all highly liquid investments available for current use with an initial maturity of six months or less to be cash equivalents. Included in cash as of June 30, 2008 are three restricted certificates of deposit totaling \$66,499 that carry immaterial early withdrawal penalties. The carrying amounts reported in the statements of financial position approximate fair values as a result of the short maturity of these instruments.

Accounts Receivable

Accounts receivable are shown net of an allowance of \$75,990 and \$50,990 for doubtful private program service fees as of June 30, 2008 and June 30, 2007, respectively. Bad debt expenses charged to operations during the years ended June 30, 2008 and June 30, 2007 totaled \$25,000 and \$52,853, respectively.

Income Taxes

The Agency is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3), from California income taxes under Section 23701(d) of the California Bank and Corporation Tax Law, and has been determined to be an organization which is not a private foundation.

Indirect Expenses

The Agency has in place a cost allocation plan employed to allocate indirect expenses to each program on a basis proportionate to the direct staff time or other cost driver used for each program.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

2. SIGNIFICANT ACCOUNTING POLICIES: (continued)

Depreciation

Fixed assets are reported at cost, or donated value, and are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from five to forty years. The Agency's policy is to capitalize fixed asset additions in excess of \$1,000. At June 30, 2008 and June 30, 2007, the cost and related accumulated depreciation for such assets is as follows:

| | <u>2008</u> | <u>2007</u> |
|-----------------------------|---------------------|---------------------|
| Land | \$ 322,441 | \$ 322,441 |
| Buildings | 1,099,701 | 1,099,701 |
| Furniture, equipment & fees | <u>327,815</u> | <u>337,438</u> |
| | 1,749,957 | 1,759,580 |
| less: | | |
| Accumulated depreciation | <u>653,069</u> | <u>646,665</u> |
| | <u>\$ 1,096,888</u> | <u>\$ 1,112,915</u> |

Depreciation and amortization expense charged for the years ended June 30, 2008 and June 30, 2007 was \$45,399 and \$39,914, respectively.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

Compensated Absences and Vacations

All eligible full-time employees accrue fifteen days of paid vacation during the first continual year of service. This amount is increased to twenty days after five years, and twenty-five days after ten years. Upon separation, the terminating employee is directly compensated for unused vacation leave. Holidays that fall on vacation periods are not charged against vacation time. Accrued vacation may not be carried beyond eighteen months unless approved by the Executive Director. All regular employees are entitled to be paid sick leave at the rate of twelve working days per year consistent with the number of hours comprising their particular working agreement. Upon separation, under any circumstances, the employee is entitled to sick leave pay at the rate of sixty-five percent of the remaining sick leave, not to exceed 80 hours. In the event of sickness or death in the immediate family of an employee, the employee shall be granted three days of leave of absence with full pay. Such leave will not be subtracted from regular sick leave. Employees are granted a leave of absence with pay at any time they are required to report for jury duty.

Donations

All donations are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated fair market value at date of notification. Donated services, valued at \$38,007 and \$34,700, were contributed by specially trained relief workers and third party answering services involved in the rape crisis program during the years ended June 30, 2008 and June 30, 2007, respectively.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

2. SIGNIFICANT ACCOUNTING POLICIES: (continued)

Advertising

The Agency charges all advertising costs incurred to operations as a current expense.

Legacies and Bequests

Legacies and bequests are received by the Agency under various wills and trust agreements. The amounts are recorded when received.

3. SCHEDULE OF OPERATING AND SAVINGS ACCOUNTS:

As of June 30, 2008 and 2007, the Agency had funds on deposit in checking, short-term certificates of deposit, and savings accounts as follows:

| <u>Institution</u> | <u>2008</u> | <u>2007</u> |
|--------------------|-------------------|-------------------|
| South Valley Bank | \$ 432,172 | \$ 362,699 |
| Petty Cash | 2,100 | 1,950 |
| Total | <u>\$ 434,272</u> | <u>\$ 364,649</u> |

4. GRANTS AND ACCOUNTS RECEIVABLE:

The carrying amounts for grants and accounts receivable reported in the statement of financial position approximate fair value as all amounts are due and expected to be received within ninety days. The following amounts are reported as accounts and grants receivable as of June 30, 2008 and 2007:

| | <u>2008</u> | <u>2007</u> |
|---------------------------|--------------------|--------------------|
| Mental Health | \$ 366,153 | \$ 401,390 |
| Transitional Housing | 10,019 | 52,950 |
| OES | 55,060 | 70,205 |
| Block Grants | 8,338 | 19,861 |
| Social Services | 78,741 | 189,483 |
| Maternal and Child Health | - | 55,332 |
| Restorative Justice | 299,657 | 37,397 |
| First Five | 239,941 | 32,437 |
| Other Grants | <u>185,978</u> | <u>383,955</u> |
| Grants receivable | 1,243,887 | 1,243,010 |
| Program and Other Fees | <u>84,602</u> | <u>149,855</u> |
| Accounts receivable, net | <u>84,602</u> | <u>149,855</u> |
| Total | <u>\$1,328,489</u> | <u>\$1,392,865</u> |

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

5. LONG-TERM DEBT:

Long-term debt at June 30, 2008, is comprised of the following:

| <u>Payable to</u> | <u>Interest Rate</u> | <u>Due Date</u> | <u>Current Amount</u> | <u>Total Due</u> |
|--|--------------------------|---------------------|---------------------------|----------------------|
| South Valley Bank, secured by real property, monthly payments of \$3,160 | 7.25% | 3/10/2018 | \$ 6,312 | \$ 435,266 |
| Wachovia, secured by real property, monthly payments \$762 | 5.58% | 11/15/2018 | 4,750 | 68,258 |
| State of California, secured by real property, monthly payments deferred | 3% deferred | 6/24/2027 | 0 | 152,564 |
| State of California, secured by real property, monthly payments deferred | 3% deferred | 9/4/2020 | 0 | 146,338 |
| State of California, secured by real property, monthly payments deferred | 3% deferred | 8/21/2022 | 0 | 143,610 |
| City of Morgan Hill, secured by real property, monthly payments deferred | 3.5% deferred | 5/3/2016 | 0 | 33,450 |
| City of Morgan Hill, secured by improvements, monthly payments deferred | 5% deferred | 4/11/2017 | 0 | 100,000 |
| Redevelopment Agency of the City of Morgan Hill, secured by real property | None | None | 0 | 119,812 |
| | | | <u>\$ 11,062</u> | <u>\$1,199,298</u> |

The three State of California loans include underlying indebtedness to the department of Housing and Urban Development and contain self-forgiving provisions, contingent upon use restrictions, commencing in the year 2001 as well as provisions for the waiver of accrued interest payable. During the years ended June 30, 2008 and June 30, 2007, the Agency realized \$47,286 annually in debt forgiveness support from these loans. Agency management is presently working with the State of California to determine the procedures required to receive the interest accrual waiver, which totaled \$9,315 annually during the years ended June 30, 2008 and June 30, 2007. As of June 30, 2008, the cumulative accrued interest payable under these loans of \$172,679 is presented as a long-term liability. The Agency also has two notes payable totaling \$85,000 due to the City of Morgan Hill maturing in 2016. No liability is presented for these notes as they are forgiven in full upon the satisfaction of certain use restrictions which the Agency intends to fulfill.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

5. LONG TERM DEBT (continued):

The existing schedule for the retirement of long-term debt is as follows:

| | |
|---------------------------|--------------------|
| Year ending June 30, 2009 | \$ 11,062 |
| Year ending June 30, 2010 | 11,633 |
| Year ending June 30, 2011 | 11,964 |
| Year ending June 30, 2012 | 12,562 |
| Year ending June 30, 2013 | 12,951 |
| Thereafter | <u>1,139,126</u> |
| | <u>\$1,199,298</u> |

6. FACILITY LEASE COMMITMENTS:

The lease for the Agency's administration office continues to December 2009, and requires monthly rental payments of \$13,621, or \$180,049 annually inclusive of common area charges. In addition, the Agency is committed under several facility leases expiring through calendar year 2011. Monthly rent commitments under these leases are \$47,542. Rent expense paid totaled \$603,543 and \$583,408 for the years ended June 30, 2008 and June 30, 2007, respectively. Existing future annual facility lease commitments are:

| | |
|---------------------------|-----------|
| Year ending June 30, 2009 | \$554,482 |
| Year ending June 30, 2010 | 475,458 |
| Year ending June 30, 2011 | 222,624 |

7. EQUIPMENT LEASE COMMITMENTS:

The Agency is obligated under nine non-cancelable operating leases for the rental of certain office equipment. The minimum annual rental payments under these equipment leases are:

| | |
|---------------------------|-----------|
| Year ending June 30, 2009 | \$ 36,743 |
| Year ending June 30, 2010 | 31,335 |

Total payments made under all equipment lease agreements were \$46,301 and \$54,889 for the years ended June 30, 2008 and June 30, 2007, respectively.

8. RETIREMENT PLAN:

The Agency has adopted a policy whereby it will match an employee's contributions to an individual tax deferred annuity account, up to 5% of the employee's gross salary. For the fiscal years ended June 30, 2008 and June 30, 2007, the Agency's contributions totaled \$92,762 and \$95,055, respectively.

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

9. GRANTS PAYABLE:

The Agency has entered into an agreement with Santa Clara County to repay its prior year mental health cost reconciliation shortages at a rate of \$9,384 per month. Five such payments were made during the year ended June 30, 2008. The current portion of \$112,604 is included in accounts payable as of June 30, 2008, with the remaining \$46,918 presented as a long-term grant payable.

10. CONCENTRATIONS AND CONTINGENCIES:

At times during the fiscal year, the Agency maintained cash balances in excess of insured levels at one financial institution. In addition, approximately 70% of the Agency's operating revenue base is derived from contracts and grants with various governmental departments of the County of Santa Clara. Approximately 80% of the Agency's employees are covered under membership in a collective bargaining agreement scheduled for renewal November 2010. The Agency, during the normal course of operating its business, may be subject to various lawsuits, licensing reviews, and government audits. Management believes that losses resulting from these matters, if any, would either be covered under the Agency's insurance policy or immeasurable. Management further believes the losses, if any, would not have a material effect on the financial position of the Agency.

11. RESTRICTED NET ASSETS:

As of June 30, 2008 and 2007, the Agency's temporarily restricted net assets consist of the following:

| | <u>2008</u> | <u>2007</u> |
|---|-------------------|-------------------|
| Time restriction- | | |
| United Way – 2009/8 and 2008/7 fundings | \$ 50,000 | \$ 50,000 |
| Use restrictions- | | |
| Foundation – programs | - | - |
| Real property under HUD/HCD restrictions to year 2020 | <u>105,517</u> | <u>93,807</u> |
| | <u>\$ 155,517</u> | <u>\$ 143,807</u> |

12. NET ASSETS RELEASED FROM RESTRICTIONS:

Unrestricted net assets were increased as a result of the following temporary restriction releases and transfers during the years ended June 30, 2008 and 2007:

| | <u>2008</u> | <u>2007</u> |
|---|------------------|-------------------|
| Time restriction- | | |
| United Way – 2008/7 and 2007/6 fundings | \$ 50,000 | \$ 110,300 |
| Use restrictions- | | |
| Foundation grants | | 79,833 |
| Real property under regulatory restrictions | <u>(11,710)</u> | <u>(38,021)</u> |
| | <u>\$ 38,290</u> | <u>\$ 152,112</u> |

COMMUNITY SOLUTIONS
for Children, Families, and Individuals
Schedule of Expenditures of Federal Awards
For the Year ended June 30, 2008

| Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Program or Award Amount | Receipts/ Revenue Recognized | Disbursements/ Expenditures Incurred |
|---|---------------------------|-------------------------------|------------------------------------|--|
| <u>Major Programs</u> | | | | |
| Department of Health & Human Services, passed through County of Santa Clara, independent living skills, Grant CLS 4300002661 | 93.674 | \$ 182,000 | \$ 182,000 | \$ 182,000 |
| Total major federal financial assistance | | 182,000 | 182,000 | 182,000 |
| <u>Non-major Programs</u> | | | | |
| Department of Housing & Urban Development, passed through City of Gilroy, community development block grant, Grant 07-259-2621-5202 | 14.218 | 8,000 | 8,000 | 8,000 |
| Department of Housing & Urban Development, passed through City of Morgan Hill, community development block grant RDA710026 | 14.218 | 16,000 | 16,000 | 16,000 |
| Department of Housing & Urban Development, transitional housing, subrecipient passed through from Bill Wilson Center, Grant CA39 B95 | 14.235 | 525,598 | 126,191 | 126,191 |
| Department of Health & Human Services, passed through County of Santa Clara, alcohol and drug services, Grant 4300004346 | 93.959 | 62,000 | 61,542 | 61,542 |
| Department of Housing & Urban Development, passed through County of Santa Clara, La Isla Grant NP-08-31 community development block grant | 14.218 | 14,000 | 14,000 | 14,000 |
| Department of Justice, passed through State of California OES, sexual assault services, Grant RC-07101043 | 16.575 | 67,547 | 67,547 | 67,547 |
| Department of Justice, passed through State of California OES sexual assault services, Grant RC-072111043 | 16.575 | 83,661 | 83,661 | 83,661 |
| Total non-major federal financial assistance | | 776,806 | 376,941 | 376,941 |
| Total federal financial assistance | | 958,806 | 558,941 | 558,941 |
| <u>State and local assistance</u> | | | | |
| County of Santa Clara, Short-Doyle, Grants 4345/8358/8315/83151 | | 2,843,796 | 2,460,318 | 2,460,318 |
| County of Santa Clara, MHSA- FSP family and children | | 930,631 | 600,638 | 600,638 |
| County of Santa Clara, MHSA- FSP adult | | 1,214,405 | 907,504 | 907,504 |
| County of Santa Clara, MHSA- THU Walnut | | 149,688 | 149,688 | 149,688 |
| County of Santa Clara, MHSA- THU Kern | | 115,451 | 89,404 | 89,404 |
| County of Santa Clara, Mentally Ill Offender Crime Reduction | | 243,617 | 153,714 | 153,714 |
| County of Santa Clara, MHSA-EPSTD | | 254,190 | 229,706 | 229,706 |
| County of Santa Clara, First Five, Grant 2008-132-01 | | 932,842 | 932,842 | 932,842 |
| County of Santa Clara, First Five passed through GoKids Inc., Grant 2008-139 | | 59,675 | 47,718 | 47,718 |
| County of Santa Clara, STOP program, Grant 4300002660 | | 65,000 | 65,000 | 65,000 |
| County of Santa Clara, passed through Alum Rock, truancy prevention, Grant 4300002495 | | 45,173 | 45,173 | 45,173 |
| County of Santa Clara, passed through Next Door Solutions, 2005-X0860-CA | | 224,584 | 53,121 | 53,121 |
| County of Santa Clara, IUHV DV advocacy, Grant 4400002466 | | 338,310 | 137,940 | 137,940 |
| County of Santa Clara, Special Allocation CAC, Grant 4300003997 | | 47,047 | 39,206 | 39,206 |
| County of Santa Clara, SSA, human trafficking, Grant 4400002541 | | 15,000 | 15,000 | 15,000 |
| County of Santa Clara, general fund, Grant 430002755 | | 58,619 | 58,619 | 58,619 |
| County of Santa Clara, marriage licensing, Grant 430002755 | | 48,000 | 48,000 | 48,000 |
| County of Santa Clara, empowerment, Grant 430002755 | | 24,864 | 24,864 | 24,864 |
| County of Santa Clara, passed through HIP, Sunset Apt Project 10008 | | 38,539 | 4,533 | 4,533 |
| County of Santa Clara, family advocate, Grant 430002658 | | 26,394 | 26,394 | 26,394 |
| County of Santa Clara, status offender services, Grant 4300002659 | | 261,811 | 261,811 | 261,811 |
| County of Santa Clara, restorative justice competency, Grant 4300004112 | | 1,472,770 | 1,470,452 | 1,470,452 |
| State of California, CMS | | 7,851 | 7,851 | 7,851 |
| State of California, MCH battered women's shelter, Grant 05-45022 | | 221,329 | 221,329 | 221,329 |
| State of California DHS, sexual violence prevention, Grant 05-45573 | | 194,660 | 67,666 | 67,666 |
| State of California OES, sexual assault services, Grant RC-07211043 | | 30,567 | 30,567 | 30,567 |
| State of California OES, sexual assault services, Grant RC-07101043 | | 24,671 | 24,671 | 24,671 |
| Total state & local government assistance | | 9,889,484 | 8,173,729 | 8,173,729 |
| GRAND TOTALS | | \$ 10,848,290 | \$ 8,732,670 | \$ 8,732,670 |

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Tel: (408) 779-3313
Fax: (408) 776-1555

4040 Moorpark Ave., Suite 230
San Jose., Ca 95117
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Fax: (408) 557-9893

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Community Solutions for Children, Families and Individuals
Morgan Hill, California

We have audited the financial statements of Community Solutions for Children, Families and Individuals (a non-profit organization) as of and for the year ended June 30, 2008 and have issued our report thereon dated August 28, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

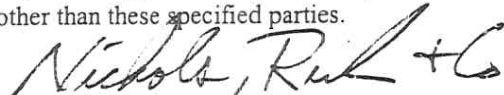
Internal Control over Financial Reporting

In planning and performing our audit, we considered Community Solutions for Children, Families and Individuals' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Solutions for Children, Families and Individuals' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Community Solutions for Children, Families and Individuals' internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control. Our consideration of internal control over financial reporting was for the limited purpose earlier described in this paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Solutions for Children, Families and Individuals' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, pass-through entities, and federal awarding agencies and is not intended and should not be used by anyone other than these specified parties.


Nichols, Rick & Company, CPA's
Morgan Hill, California
August 28, 2008

16360 Monterey Rd., Suite 170
Morgan Hill, CA 95037
Tel: (408) 779-3313
Fax: (408) 776-1555

4040 Moorpark Ave., Suite 230
San Jose., Ca 95117
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Fax: (408) 557-9893

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of
Community Solutions for Children, Families and Individuals
Morgan Hill, California

Compliance

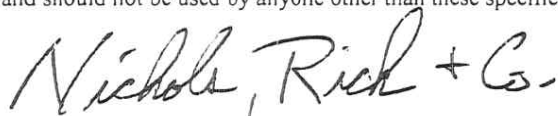
We have audited the compliance of Community Solutions for Children, Families and Individuals (the Agency) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major programs for the year ended June 30, 2008. Community Solutions for Children, Families and Individuals' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs is the responsibility of Community Solutions for Children, Families and Individuals' management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Solutions for Children, Families, and Individuals' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Community Solutions for Children, Families, and Individuals' compliance with those requirements. In our opinion, Community Solutions for Children, Families and Individuals complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control over Compliance

The management of Community Solutions for Children, Families and Individuals is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Community Solutions for Children, Families and Individuals' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Solutions for Children, Families and Individuals' internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. This report is intended solely for the information and use of the audit committee, management, others within the organization, pass-through entities, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Nichols, Rick & Company, CPA's
Morgan Hill, California
August 28, 2008

COMMUNITY SOLUTIONS FOR CHILDREN, FAMILIES AND INDIVIDUALS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

A. Summary of Auditor's Results

I. Financial Statements

1. The independent auditor's report on the financial statements of Community Solutions expressed an unqualified opinion.
2. No significant deficiencies were disclosed in the audit of the financial statements.

II. Federal Awards

1. Internal Controls over Major Programs:

- a. No significant deficiencies were disclosed in the audit of Federal awards.
2. The auditor's report on compliance for the major Federal awards programs for Community Solutions expressed an unqualified opinion.
3. The schedule of expenditures of Federal awards is reported on the accrual basis of accounting in conformity with generally accepted accounting principles as described in the notes to the financial statements.
4. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
5. Community Solutions qualified as a low risk auditee under OMB Circular A-133, Section 530.
6. The programs tested as major programs are identified as follows:

CFDA Number

93.674

Name of Federal Program

Independent Living Skills

B. Findings and Questioned Costs

None

**COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
SUPPLEMENTARY INFORMATION REQUIRED BY THE
OFFICE OF EMERGENCY SERVICES
JUNE 30, 2008**

1. Summary

Included in the audited financial statements of Community Solutions for Children, Families and Individuals for the year ended June 30, 2008, dated August 28, 2008, are the following grants funded in part by the State of California, Office of Emergency Services (OES):

| <u>Grant Number</u> | <u>Grant Period</u> | <u>Grant Award</u> | <u>Expenditures Claimed</u> |
|---------------------|---------------------|--------------------|---------------------------------|
| RC-07211043 | 7/01/07 to 06/30/08 | \$114,228 | \$114,228 |
| RC-07101043 | 7/01/07 to 06/30/08 | \$92,218 | \$92,218 |

As part of grant RC-07211043, through June 30, 2008, Community Solutions was obligated to provide up to \$20,915 in matching funds or in-kind services. As part of grant RC-07101043, through June 30, 2008, Community Solutions was obligated to provide up to \$16,887 in matching funds and in-kind services. The in-kind requirements are met through the time volunteered by rape crisis counselors who were recruited, trained, and supervised by Community Solutions' staff, in addition to answering service accommodations donated by an independent company.

An entrance conference was held on May 14, 2008 to inform Community Solutions personnel as to the scope of the single audit. At the completion of the audit on August 28, 2008, an exit conference was held to inform those in attendance of the audit results. In attendance at the exit conference were Erin O'Brien, President/CEO, Richard Nakamura, CFO, and John Rick, Certified Public Accountant.

In the course of the audit of the OES funded expenditures, no costs were encountered that we believed to be of a questionable or disallowable nature per the OES grantee handbook.

2. Background

OES awarded grants to Community Solutions for the following program areas:

RC-07211043 -- sexual assault services
RC-07101043 -- sexual assault services

3. Status of prior operating reports

None.

4. Administrative findings

There are no current administrative findings related to the OES funded grants and related activities.

COMMUNITY SOLUTIONS
FOR CHILDREN, FAMILIES AND INDIVIDUALS
SUPPLEMENTARY INFORMATION REQUIRED BY THE
OFFICE OF EMERGENCY SERVICES
JUNE 30, 2008

5. Approved budget and cumulative expenditures (including matching expenditures)

| | | | |
|--|------------------|--------------------------------|-----------------|
| Grant RC-07211043 <u>7/1/07 - 6/30/08</u> | <u>Budget</u> | Expenditures <u>Claimed</u> | <u>Variance</u> |
| personal services | \$ 94,062 | \$ 94,062 | \$ - |
| operating expenses & equipment | <u>41,081</u> | <u>41,081</u> | <u>-</u> |
| | <u>\$135,143</u> | <u>\$135,143</u> | <u>\$ -</u> |

NOTE: Grant number RC-07211043 continued until June 30, 2008. The audit reports, OES supplemental data and testwork include the period from July 2007 through June 2008.

| | | | |
|--|-------------------|--------------------------------|-----------------|
| Grant RC-07101043 <u>7/1/07 - 6/30/08</u> | <u>Budget</u> | Expenditures <u>Claimed</u> | <u>Variance</u> |
| personal services | \$ 81,157 | \$ 81,157 | \$ - |
| operating expenses & equipment | <u>27,948</u> | <u>27,948</u> | <u>-</u> |
| | <u>\$ 109,105</u> | <u>\$ 109,105</u> | <u>\$ -</u> |

NOTE: Grant number RC-07101043 continued until June 30, 2008. The audit reports, OES supplemental data and testwork include the period from July 2007 through June 2008.

GOVERNOR'S OFFICE OF EMERGENCY SERVICES
REPORT OF EXPENDITURES AND REQUEST FOR FUNDS

FORM 201 (REV. 5/06)

MAIL TO: OES ACCOUNTING
3650 SCHRIEVER AVENUE
MATHER, CA 95655(1) RECIPIENT: COMMUNITY SOLUTIONS(1) IMPLEMENTING AGENCY: COMMUNITY SOLUTIONS

(2) PROJECT TITLE:

SCC SEXUAL ASSAULT SERVICES

(3) ADDRESS:

16264 CHURCH STREET #103
MORGAN HILL, CA 95038

(4) GRANT AWARD NUMBER:

RC07211043

(5) FEDERAL EMPLOYER IDENTIFICATION NUMBER:

23-7351215

(6) BILLING PERIOD

JUNE, 2008☒ FINAL

(7) CONTACT PERSON:

JAN PHAM

(8) PHONE NUMBER:

408-776-6230

(9) E-MAIL ADDRESS:

JANP@COMMUNITYSOLUTIONS.ORG

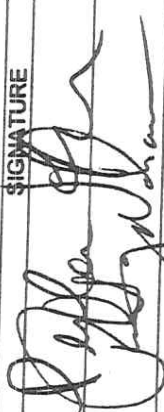

(10) FAX NUMBER:

408-778-9672

| | | | | 408-778-9672 | |
|-----------------------------|---------------|---------------|------------------|--------------|-------------------------------------|
| | FEDERAL GRANT | FEDERAL GRANT | FEDERAL GRANT | STATE GRANT | (12) TOTAL AMOUNT (This Request) |
| (11) FEDERAL/STATE ACRONYM: | VOCA | VOCA | Select from List | RCP | |
| CATEGORY - REQUEST | | | | | |
| (A) PERSONAL SERVICES (+) | 0.00 | | | 0.00 | 0.00 |
| (B) OPERATING EXPENSES (+) | 0.00 | | | 1,532.00 | 1,532.00 |
| (C) EQUIPMENT (+) | 0.00 | | | 0.00 | 0.00 |
| CATEGORY - MATCH | | | | | |
| (A) PERSONAL SERVICES (-) | 0.00 | | | 0.00 | 0.00 |
| (B) OPERATING EXPENSES (-) | 0.00 | | | 0.00 | 0.00 |
| (C) EQUIPMENT (-) | 0.00 | | | 0.00 | 0.00 |
| ADVANCE - RECOUPED | | | | | |
| (A) PERSONAL SERVICES (-) | 0.00 | | | 0.00 | 0.00 |
| (B) OPERATING EXPENSES (-) | 0.00 | | | 0.00 | 0.00 |
| (C) EQUIPMENT (-) | 0.00 | | | 0.00 | 0.00 |
| TOTAL TO BE PAID | 0.00 | | | 1,532.00 | 1,532.00 |

Under penalty of perjury, I certify that the above information is true and correct.

Under penalty of perjury, I certify I am the duly authorized officer of the claimant herein; this claim is in all respects true, correct, and all expenditures were made in accordance with all applicable laws, rules, regulations including, but not limited to Government Code Sections 1090 - 1096, and grant conditions; and, this claim is for all approved costs incurred within the Grant Performance Period and/or an advance of funds as provided for in the applicable year Budget Act authority.

| | | | |
|--------------------|------------------|--|----------|
| (13) | TYPED NAME | SIGNATURE | DATE |
| PROJECT DIRECTOR: | Perla Flores |  | 07/21/08 |
| FINANCIAL OFFICER: | Richard Nakamura |  | 07/21/08 |

REPORT OF EXPENDITURES AND REQUEST FOR FUNDS

GOVERNOR'S OFFICE OF EMERGENCY SERVICES

FORM 201 (REV. 5/06)

MAIL TO: OES ACCOUNTING
3650 SCHRIEVER AVENUE
MATHER, CA 95655(1) RECIPIENT: COMMUNITY SOLUTIONS(1) IMPLEMENTING AGENCY: COMMUNITY SOLUTIONS

(2) PROJECT TITLE:

SBC SEXUAL ASSAULT SERVICES

(3) ADDRESS:

16264 CHURCH STREET #103
MORGAN HILL, CA 95038

(4) GRANT AWARD NUMBER:

RC07101043

(5) FEDERAL EMPLOYER IDENTIFICATION NUMBER:

23-7351215

(6) BILLING PERIOD

JUNE, 2008

(7) CONTACT PERSON:

JAN PHAM

(8) PHONE NUMBER:

408-776-6230

(9) E-MAIL ADDRESS:

JANP@COMMUNITYSOLUTIONS.ORG

(10) FAX NUMBER:

408-778-9672

| (11) FEDERAL/STATE ACRONYM: | FEDERAL GRANT | FEDERAL GRANT | FEDERAL GRANT | STATE GRANT | (12) TOTAL AMOUNT (This Request) |
|-----------------------------|---------------|---------------|------------------|-------------|-------------------------------------|
| CATEGORY - REQUEST | VOCA | VOCA | Select from List | RCP | Select from List |
| (A) PERSONAL SERVICES (+) | 7,238.00 | | | 1,845.00 | 9,083.00 |
| (B) OPERATING EXPENSES (+) | 0.00 | | | 0.00 | 0.00 |
| (C) EQUIPMENT (+) | 0.00 | | | 0.00 | 0.00 |
| CATEGORY - MATCH | | | | | |
| (A) PERSONAL SERVICES (-) | (735.00) | | | 0.00 | -735.00 |
| (B) OPERATING EXPENSES (-) | 0.00 | | | 0.00 | 0.00 |
| (C) EQUIPMENT (-) | 0.00 | | | 0.00 | 0.00 |
| ADVANCE - RECOUPED | | | | | |
| (A) PERSONAL SERVICES (-) | 0.00 | | | 0.00 | 0.00 |
| (B) OPERATING EXPENSES (-) | 0.00 | | | 0.00 | 0.00 |
| (C) EQUIPMENT (-) | 0.00 | | | 0.00 | 0.00 |
| TOTAL TO BE PAID | 6,503.00 | | | 1,845.00 | 8,348.00 |

Under penalty of perjury, I certify I am the duly authorized officer of the claimant herein; this claim is in all respects true, correct, and all expenditures were made in accordance with all applicable laws, rules, regulations including, but not limited to Government Code Sections 1090 - 1096, and grant conditions; and, this claim is for all approved costs incurred within the Grant Performance Period and/or an advance of funds as provided for in the applicable year Budget Act authority.

(13)

TYPED NAME

SIGNATURE

DATE

PROJECT DIRECTOR:

Perla Flores

FINANCIAL OFFICER:

Richard Nakamura

07/21/08

07/21/08

Report of Expenditures and Request for Funds - OES 201 (Revised 7/1/2006)